GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3585
ANSWERED ON:18.08.2005
PRODUCTIVE INCENTIVE
Thomas Shri P.C.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the amount given as productivity incentive to the management and non management category of employees, separately in the public sector oil companies during each of the last three years, company-wise;

(b) the justification for such a scheme without concern for the economic realities of the country;

(c) whether the Government plans to extend this scheme; and

(d) if so, the details thereof and the reasons therefore?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) The amount spent by the major Public Sector Oil Companies towards Productivity Incentive to the management and non-management category of employees company-wise is given in the Annexe.

(b) The purpose of the performance-linked incentive scheme is to motivate employees, to improve organizational performance, attract and retain talent in the oil companies and achieve periodic targets in the face of global challenges.

(c) & (d): Based on the recommendations of the Justice Mohan Pay Committee, the Department of Public Enterprises (DPE) issued guidelines on the revision of pay scales etc. for Board-level and below Board-level executives in PSUs vide their OM No. 2(49)/98-DPE(WC) dated 25.06.1999. These guidelines, inter-alia, included performance-related payments, which should not exceed 5% of the distributable profit of the enterprise. The revised pay scales were to be applicable from 01.01.1997 for a period of 10 years.